

PROCEDURE #4 DISTRIBUTION UNDER PLANS AND OBJECTIONS TO CLAIMS

A. After the filing of a plan and prior to confirmation of such plan, the trustee is authorized to make distribution of the designated monthly payments on secured non-tax claims, attorney's fees, and utility accounts.

B. The distribution of any proceeds pursuant to a confirmed plan shall be mailed to the address of the creditor as designated pursuant to Fed.R.Bankr.P. 2002(g).

C. Following confirmation of a plan, the Chapter 13 Trustee shall make distribution to secured and priority creditors in accordance with the terms of the plan. Claims identified in the plan or proofs of claim filed shall be treated for distribution purposes as follows:

1. after the filing of a plan and prior to confirmation of such plan, the Chapter 13 Trustee is authorized to make distribution of the designated monthly payments on secured non-tax claims, attorney's fees, and utility accounts;
2. the debtor or debtor's attorney, if represented, shall review the proofs of claim filed and shall file objections to any disputed claims within ninety (90) days of the claims bar date. Absent an objection, the proof of claim will govern as to the classification and amount of the claim.

D. Failure of an unsecured creditor to file a claim shall inure to the benefit of the other unsecured creditors in the same class. The Chapter 13 Trustee shall increase the percentage to be paid accordingly, provided that payments shall not exceed 100 percent of the total amount of the allowed unsecured claims (unless interest is provided in the plan for such claims). Distributions to unsecured creditors shall be made on a pro rata basis as calculated by the Chapter 13 Trustee and not on a per capita basis.

E. The Chapter 13 Trustee is authorized to amend monthly payments to mortgage holders where required by floating interest rates or changes in the insurance and tax escrow payments, provided that the mortgage company has given notice to the debtor and the debtor has not filed and served an objection within fourteen (14) days. Debtor shall have an additional three (3) days to file an objection when the notice has been served by mail.

F. If a secured creditor obtains relief from the automatic stay, the Chapter 13 Trustee shall suspend distributions to all creditors with claims secured by the collateral released from the automatic stay, following the Chapter 13 Trustee's receipt of notice of the grant of relief. However, the Chapter 13 Trustee shall continue to make distribution to other creditors in accordance with the terms of the plan.

G. In the event of conversion or dismissal following the confirmation of a plan, then the Chapter 13 Trustee shall distribute all funds received prior to the effective date of the conversion or dismissal, in accordance with the terms of the confirmed plan.

H. In the event that a plan is not confirmed, then the trustee shall refund all payments to the debtor if the case is dismissed, or to the Chapter 7 trustee if the case is converted.